

*Redacted*

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
DOCKET NO. 2019-281-S**

IN RE: )  
 )  
Application of Palmetto Utilities, Inc. )  
for adjustment of rates and )  
charges for, and the modification of )  
certain terms and conditions related to, )  
the provision of sewer service. )  
\_\_\_\_\_ )

**APPLICATION**

Palmetto Utilities, Inc. (the “Applicant” or the “Company”), would respectfully show unto, and request of, the Commission as follows:

**BACKGROUND**

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(4) (2015), providing sewer service to the public for compensation in certain areas of Richland and Kershaw Counties pursuant to rates set by the Commission in Order No. 2018-1555 issued March 7, 2018, in Docket No. 2017-228-S.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant’s Representatives:**

Mr. Mark S. Daday, President and Chief Financial Officer  
Mr. Bryan D. Stone, Chief Operating Officer

Palmetto Utilities, Inc.  
1710 Woodcreek Farms Road  
Elgin, South Carolina 29045

b. **Legal Counsel:**

John M. S. Hoefer, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
(803) 252-3300

**REQUEST FOR RATE RELIEF AND MODIFICATIONS  
TO TERMS AND CONDITIONS OF SERVICE**

4. Pursuant to S.C. Code Ann. § 58-5-240 (2015) and S.C. Code Ann. Regs. 103-512.4.A and 103-503 (2012), Applicant requests that the Commission approve the rates, charges, conditions and terms of service set forth in the six page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A." In regard to the specific content of the proposed rate schedule, Applicant states that it includes, *inter alia*, the following:

- a. an adjustment in the amount of the monthly sewer service charge for all customers;
- b. the addition of a new charge for customer tampering with or damage to Company facilities and equipment, and
- c. authority for the Company to limit its liability in circumstances involving the interruption or failure to provide service to remedies available under Commission regulations.

In view of the amount of increased annual revenue requested, Applicant proposes to implement the requested increase in annual revenue in phases to lessen the immediate impact of same on

customers. The proposed phase-in of the requested increase in annual revenue sought by Applicant is set forth on the schedule attached hereto as Appendix 1.

### **SUPPORTING DOCUMENTATION**

5. Applicant proposes a test year of September 1, 2018 to August 31, 2019 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein as Exhibit “B.” These financial statements include the following:

- a. Balance Sheet (Schedule A); and
- b. Current and pro forma income and expense statements (Schedule B);
- c. Schedule of billed revenue at current and proposed rates (Schedule C);
- d. Schedule of fixed assets and depreciation (Schedule D),
- e. Schedule of present and projected customers (Schedule E);
- f. Schedule of current and pro forma rate base (Schedule F), and
- g. Weighted Cost of Capital Calculation (Schedule G). <sup>1</sup>

6. Exhibit “C”, which is attached hereto and incorporated by reference herein, is the most recent approval letter from the South Carolina Department of Health and Environmental Control (“DHEC”).

7. Exhibit “D”, which is attached hereto and incorporated by reference herein, is the Company’s current customer bill form.

8. There is on file with this Commission a certificate of deposit in the amount of Three

---

<sup>1</sup> The calculations and figures shown on Schedule G to Exhibit “B” are provided for informational purposes only as Applicant will submit evidence with respect to a proper return on equity and rate base at hearing.

Hundred Fifty Thousand (\$350,000.00) Dollars given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (2015). A map depicting Applicant's current service area and its most recent Annual Report are on file with the Commission.

9. Evidence of the Applicant's most recent period paid Gross Receipts report and Annual Report are attached hereto and incorporated herein by reference as Exhibit "E".

10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission, are offered to comply with S.C. Code Regs. 103-512.4.A (2012) and 103-823 (2012) and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.

#### **NEED AND JUSTIFICATION FOR RATE RELIEF**

11. Applicant submits that rate relief is justified for the following reasons:

a. Applicant last sought rate relief from this Commission in August 2017 based upon a test year ending March 31, 2017. Thus, it has been approximately two years and four months since rates were sought to be adjusted based on revenue, expense, and capital investment data that is approximately two years and eight months old.

b. Since Applicant's last rate case, expenses associated with the operation of the Company's system have increased by approximately \$2,512,000. Further, investments in capital improvements totaling approximately \$24.5 million have been made (or will be made prior to the hearing in this matter) by Applicant, consisting principally of underground pipeline refurbishments and upgrades, pump station upgrades and miscellaneous other capital projects. These investments,

which are exclusive of those described in the paragraph 11(c) below, are designed to increase service reliability, safety and performance.

c. Moreover, in Applicant's August 2017 case, the Commission deferred determining the ratemaking treatment to be given the sewer collection and transportation system (the "PRC System") acquired by Applicant from the City of Columbia for approximately \$18.0 million. In this Application, Applicant is seeking inclusion of approximately \$18.0 million in rate base associated with the PRC System.

d. Although Applicant seeks rate base treatment in this Application, Applicant's existing rates were determined on the operating margin method. On a pro forma basis, Applicant is currently earning an operating margin of 6.533%, which is significantly below the 15% operating margin authorized in its August 2017 rate case. See Schedule B in Exhibit "B." <sup>2</sup>

e. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, recover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements.<sup>3</sup> This rate increase is also necessary in order that the Applicant may comply with standards and regulations set by DHEC or other environmental regulatory authorities, and continue to invest in and

---

<sup>2</sup> Net Income (Loss) for Margin (page 2, line 37, column 4) of \$1,466,503 over Total Utility Operating Income (page 1, line 7, column 4) of \$22,446,763, yields 6.36%.

<sup>3</sup> Applicant has notified customers of its capital improvements and increased operating expenses requiring rate relief and informed them of "town hall" meetings to be held by the Company in its authorized service area shortly after the filing of this Application.

maintain its facilities, thereby permitting Applicant to continue providing reliable and high-quality sewer services.

f. Applicant does not seek any increase in its non-recurring charges which have been previously approved by the Commission and therefore submits that cost justification of same is not required as these are currently approved, as opposed to proposed, charges. *See* S.C. Code Regs. 103-512.4.A(9)(2012). This Commission has recognized that approved non-recurring charges which are not proposed to be changed do not require separate cost justification. *Cf. Porter v. S.C. Public Service Commission*, 328 S.C. 222, 493 S.E.2d 292 (1997). Nonetheless, Applicant submits that the currently approved non-recurring charges for sewer plant impact fee (\$800.00) sewer connection (\$250.00), certified mail notification fee (\$25.00), and customer account set-up (\$20.00) are all cost justified and attaches hereto as Exhibit “F” a schedule setting forth the costs associated with same.<sup>4</sup>

### RATE SCHEDULE MODIFICATIONS

12. Applicant requests that the Commission approve the modification of the Company’s rate schedule to add two provisions. First, Applicant proposes that it be permitted to impose a charge not to exceed \$250.00 per occurrence where a customer has tampered with or damaged the Company’s facilities or equipment as set out in paragraph 13 on Exhibit “A.” Second,

---

<sup>4</sup> Applicant’s proposal to establish a tampering charge (as described in the paragraph 13) not to exceed \$250 does not require independent cost justification given that it seeks to pass along to a customer who damages or tampers with utility property the actual cost incurred by the utility to repair damage. This cost can only be determined on a case by case basis. This proposed charge has been approved by the Commission for at least two other jurisdictional utilities and serves a deterrent effect and benefits other customers as it shifts costs to the persons or entities causing such damage.

Applicant proposes that it be permitted to limit its liability and that of its agents and employees to customers for damages arising out of the interruption of service or the failure to furnish service to the remedies provided in S.C. Code Regs. 103-517 (2012). Applicant notes that similar rate schedule provisions have heretofore been approved by the Commission for other jurisdictional sewer utilities.

13. Applicant further requests the Commission to approve the modification of the Company's rate schedule to memorialize Applicant's existing policy for the gross-up of developer contributed assets, whether in-kind or cash. This modification will apply to all developer CIACs, including the Company's previously-approved plant impact fee. This policy was amplified in a settlement agreement between Applicant, the Office of Regulatory Staff, and certain intervenors heretofore filed in Commission Docket No. 2018-381-A. The language of this proposed rate schedule modification is consistent with language previously approved by the Commission for PUI's tax multiplier in Order No. 88-311, issued March 23, 1988, in Docket No. 96-376-S (*cf.* Order No. 2018-155 at 21, n.68, issued March 7, 2018, in Docket No. 2017-228-S) and the terms of said settlement agreement.

#### **REQUEST FOR RATE BASE TREATMENT**

14. Applicant submits that given its substantial plant investment, and specifically the rate base reflected on Schedule F of Exhibit "B" hereto, Applicant is entitled to have the reasonableness of its proposed rates determined in accordance with the rate base methodology. Therefore, Applicant requests rate base treatment in the instant proceeding.

**WHEREFORE**, having fully set forth its Application, Applicant prays that the Commission accept the within Application for filing, approve the adjustments to rates and charges

and the modifications to the terms and conditions of service herein, grant any waivers from Commission regulations as may be warranted, and grant to Applicant such other and further relief as the Commission may deem just and proper.

s/ John M. S. Hoefer  
John M. S. Hoefer  
Andrew R. Hand  
**WILLOUGHBY & HOEFER, P.A.**  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
803-252-3300

Attorneys for Palmetto Utilities, Inc.

This 27<sup>th</sup> day of November, 2019  
Columbia, South Carolina



PALMETTO UTILITIES, INC.  
1710 WOODCREEK FARMS ROAD  
COLUMBIA, SC 29045  
(803) 699-2422

**SEWER RATE SCHEDULE**  
**Effective Date: \_\_\_\_\_, 2020**

1. **MONTHLY CHARGE**

- a. Residential - Monthly charge per  
single-family house, condominium,  
villa or apartment unit \$66.62
- b. Commercial - Monthly charge per  
single-family equivalent \$66.62
- c. The monthly charges listed above are minimum charges and shall apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the monthly commercial charges may be calculated by multiplying the equivalency rating by the monthly charge of \$66.62. The monthly residential charge shall be \$66.62 regardless of the equivalency rating.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc. \

The Utility may, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. **NONRECURRING CHARGES AND TAX MULTIPLIER**

- a. Sewer service connection charge per  
single-family equivalent \$250.00
- b. Plant Impact fee per single-family  
equivalent \$800.00
- c. The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the proper charge may be obtained by multiplying the equivalency

rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

Except as otherwise provided by contract approved by the Commission, amounts paid or transferred to the Utility by customers, builders, developers or others, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property transferred to the Utility by customers, builders, developers or others and properly classified as a contribution or advance in aid of construction in accordance with the Uniform System of Accounts. Included in this classification are sewer service connection charges and plant impact fees. The method used by the Utility to collect the tax multiplier from all contributors of such cash or property, shall be the "present value" method approved by the Commission in Order No. 88-237 issued March 18, 1988, in Docket No. 87-456-W/S. Should Federal tax law change in the future such that depreciation on contributed property becomes non-deductible for income tax purposes, the Utility shall have no obligation to reduce the tax multiplier amount by the present value of the future tax benefit from depreciation of contributed property. Should Federal or South Carolina tax law change in the future such that the Utility's total effective Federal and South Carolina tax rate ("effective tax rate") changes, the tax multiplier will be adjusted as appropriate to reflect the Utility's then-current effective tax rate. Should Federal tax law change in the future such that CIAC is no longer considered income for purposes of taxation, the Companies will cease charging and collecting the tax multiplier as of the effective date of any such change in law.

3. **BULK TREATMENT SERVICES**

The utility will provide bulk treatment services to Richland County ("County") upon request by the County in the portion of the service territory for which the utility acts as the County's contractual agent for purposes of discharging the County's designated management agency function under the Federal Clean Water Act Section 208 water quality management plan adopted by the Central Midlands Council of Governments. The rates for such bulk treatment services shall be as set forth above for both monthly charges and nonrecurring charges per single-family equivalent. The County shall certify to the Utility the number of units or taps (residential and commercial) which discharge wastewater into the County's collection system and shall provide all other information required by the Utility in order that the Utility may accurately determine the proper charges to be made to the County. The County shall insure that all commercial customers comply with the Utility's toxic and pretreatment effluent guidelines and refrain from discharging any toxic or hazardous materials or substances into the collection system. The County will maintain the authority to interrupt service immediately where customers violate the Utility's toxic or pretreatment effluent standards of discharge prohibited wastes into the sewer system. The Utility shall have the unfettered right to interrupt bulk service to the County if it determines that forbidden wastes are being or are about to be discharged into the Utility's sewer system.

The County shall pay for all costs of connecting its collection lines into the Utility's mains, installing a meter of quality acceptable to the Utility to measure flows, and constructing a sampling station according to the Utility's construction requirements.

4. **NOTIFICATION, ACCOUNT SET-UP AND RECONNECTION CHARGES**

- a. Notification Fee: A fee of \$25.00 shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R.103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating that cost.
- b. Customer Account Charge: A fee of \$20.00 shall be charged as a one-time fee to defray the costs of initiating service.
- c. Reconnection charges: In addition to any other charges that may be due, a reconnection fee of \$250.00 shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. The amount of the reconnection fee shall be in accordance with R.103-532.4 and shall be changed to conform with said rule as the rule is amended from time to time.

5. **BILLING CYCLE**

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

6. **LATE PAYMENT CHARGES**

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half (1½%) percent.

7. **TOXIC AND PRETREATMENT EFFLUENT GUIDELINES**

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR §§ 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR §§ 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

8. **REQUIREMENTS AND CHARGES PERTAINING TO SATELLITE SYSTEMS**

- a. Where there is connected to the Utility's system a satellite system, as defined in DHEC Regulation 61-9.505.8 or other pertinent law, rule or regulation, the owner or operator of such satellite system shall operate and maintain same in accordance with all applicable laws, rules or regulations.
- b. The owner or operator of a satellite system shall construct, maintain, and operate such satellite system in a manner that the prohibited or untreated materials referred to in Section 6 of this rate schedule (including but not limited to Fats, Oils, Sand or Grease), stormwater, and groundwater are not introduced into the Utility's system.
- c. The owner or operator of a satellite system shall provide Utility with access to such satellite system and the property upon which it is situated in accordance with the requirements of Commission Regulation 103-537.
- d. The owner or operator of a satellite system shall not less than annually inspect such satellite system and make such repairs, replacements, modifications, cleanings, or other undertakings necessary to meet the requirements of this Section 7 of the rate schedule. Such inspection shall be documented by written reports and video recordings of television inspections of lines and a copy of the inspection report received by the owner or operator of a satellite system, including video of the inspection, shall be provided to Utility. Should the owner or operator fail to undertake such inspection, Utility shall have the right to arrange for such inspection and to recover the cost of same, without mark-up, from the owner or operator of the satellite system.
- e. Should Utility determine that the owner or operator of a satellite system has failed to comply with the requirements of this Section 8 of the rate schedule, with the exception of the requirement that a satellite system be cleaned, the Utility may initiate disconnection of the satellite system in accordance with the Commission's regulations, said disconnection to endure until such time as said requirements are met and all charges, costs and expenses to which Utility is entitled are paid. With respect to the cleaning of a satellite system, the owner or operator of a satellite system shall have the option of cleaning same within five (5) business days after receiving written notice from Utility that an inspection reveals that a cleaning is required. Should the owner or operator of such a satellite system fail to have the necessary cleaning performed within that time frame, Utility may arrange for cleaning by a qualified contractor and the cost of same, without mark-up, may be billed to the owner or operator of said system.

9. **CONSTRUCTION STANDARDS**

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed in constructing parts of the system.

10. **EXTENSION OF UTILITY SERVICE LINES AND MAINS**

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into its sewer system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point on the Utility's sewer system may receive service, subject to paying the appropriate fees and charges set forth in this rate schedule, complying with the guidelines and standards hereof, and, where appropriate, agreeing to pay an acceptable amount for multi-tap capacity.

11. **CONTRACTS FOR MULTI-TAP CAPACITY**

The Utility shall have no obligation to modify or expand its plant, other facilities or mains to treat the sewerage of any person or entity requesting multi-taps (a commitment for five or more taps) unless such person or entity first agrees to pay an acceptable amount to the Utility to defray all or a portion of the Utility's costs to make modifications or expansions thereto.

12. **SINGLE FAMILY EQUIVALENT**

A single family equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --6 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2016). Where the Utility has reason to suspect that a person or entity is exceeding design loadings established by the Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities, the Utility shall have the right to request and receive water usage records from the provider of water to such person or entity. Also, the Utility shall have the right to conduct an "on premises" inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Utility shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

13. **TAMPERING CHARGE**

In the event the Utility's equipment, mains, service lines, elder valves, or other plant or facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's

equipment, plant or facilities not to exceed \$250.00. The tampering charge shall be paid in full prior to the Utility re-connecting service or continuing the provision of service. This charge shall be in addition to any notification, reconnection, or similar charges that the Utility is entitled to impose under this rate schedule or under Commission orders, rules, and regulations.

14. **LIMITATION OF LIABILITY**

The liability of the Utility, its officers, employees, and agents for damages arising out of the interruption of service or failure to furnish service, whether caused by acts or omissions, shall be limited to those remedies provided in the Commission's rules and regulations governing wastewater utilities.

Palmetto Utilities, Inc.  
Balance Sheet  
for the Year Ended August 31, 2019

Schedule A  
Page 1 of 2

Line No.	NARUC Account Number and Title (1)	Book Balance (2)	Adjustments (3)	Adjusted Balance (4)
1	<b>ASSETS</b>			
2				
3	<b>UTILITY PLANT</b>			
4	101 Utility Plant-In-Service	\$ 184,999,642	\$ 3	\$ 184,999,645
5	105 Construction Work in Progress	2,853,685		2,853,685
6	<b>Total Utility Plant</b>	<b>187,853,327</b>	<b>3</b>	<b>187,853,331</b>
7				
8	<b>ACCUMULATED DEPRECIATION</b>			
9	108.1 Utility Plant-In-Service	(56,006,429)	(244,930)	(56,251,359)
10	<b>Total Accumulated Depreciation</b>	<b>(56,006,429)</b>	<b>(244,930)</b>	<b>(56,251,359)</b>
11				
12	114 Utility Plant - Acquisition Adjustments	95,623,890	-	95,623,890
13				
14	<b>Non-utility Property</b>			
15	121 Non-utility Property	672,769		672,769
16	122 Accum. Prov.	(237,842)	(16)	(237,857)
17	<b>Total Non-utility Property</b>	<b>434,927</b>	<b>(16)</b>	<b>434,911</b>
18				
19	<b>TOTAL NET UTILITY PLANT</b>	<b>227,905,715</b>	<b>(244,942)</b>	<b>227,660,773</b>
20				
21	<b>OTHER PROPERTY AND INVESTMENTS</b>			
22				
23	<b>CURRENT AND ACCRUED ASSETS</b>			
24	131 Cash	164,799		164,799
25	141 Customer Accounts Receivable	3,219,590		3,219,590
26	142 Other Accounts Receivable	1,520		1,520
27	143 Credit	(690,104)		(690,104)
28	145 Accounts Receivable from Associated Companies**	71,413,714	(6,589,862)	64,823,852
29	151 Materials and Supplies	477,552		477,552
30	162 Prepayments	161,571		161,571
31	173 Accrued Utility Revenues	456,232		456,232
32	174 Miscellaneous Current and Accrued Assets	164,621		164,621
33	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>75,369,496</b>	<b>(6,589,862)</b>	<b>68,779,634</b>
34				
35	<b>DEFERRED DEBITS</b>			
36	181 Unamortized Debt Discount and Expense	134,386		134,386
37	186 Deferred Rate Case Expense	3,285,967		3,285,967
38	186 Co-Bank Membership	102,077		102,077
39	186 Other Deferred Debits	(16,259,618)		(16,259,618)
40	<b>TOTAL DEFERRED DEBITS</b>	<b>(12,737,189)</b>	<b>-</b>	<b>(12,737,189)</b>
41				
42	<b>TOTAL ASSETS</b>	<b>\$ 290,538,022</b>	<b>\$ (6,834,804)</b>	<b>\$ 283,703,217</b>

Adjustments:

1. True-up to property records as of 8-31-19.
2. Elimination of intercompany transactions involving PUI, PRC and 1710 Woodcreek.

Palmetto Utilities, Inc.  
Balance Sheet  
for the Year Ended August 31, 2019

Schedule A  
Page 2 of 2

Line No.	NARUC Account Number and Title (1)	Book Balance (2)	Adjustments (3)	Adjusted Balance (4)
1	<b>EQUITY CAPITAL AND LIABILITIES</b>			
2				
3	<b>EQUITY CAPITAL</b>			
4	211 Other Paid-In Capital	\$ 76,185,543		\$ 76,185,543
5	219 Accum Other Comprehensive Income	164,621		164,621
6	215 Unappropriated Retained Earnings	21,426,539	(244,942) 1	21,181,597
7	<b>TOTAL EQUITY CAPITAL</b>	<b>97,776,703</b>	<b>(244,942)</b>	<b>97,531,761</b>
8				
9	<b>LONG-TERM DEBT</b>			
10	224 Other Long-Term Debt	22,782,027		22,782,027
11	224 Other Long-Term Debt - Non-recourse	1,115,401		1,115,401
12	223 Advances from Affiliated Companies	44,278,220		44,278,220
13	<b>TOTAL LONG-TERM DEBT</b>	<b>68,175,648</b>	<b>-</b>	<b>68,175,648</b>
14				
15	<b>CURRENT AND ACCRUED LIABILITIES</b>			
16	231 Accounts Payable	95,517		95,517
17	232 Notes Payable	3,138,551		3,138,551
18	233 Accounts Payable to Associated Companies	80,053,151	(6,589,862) 2	73,463,289
19	236 Accrued Taxes	5,299,871		5,299,871
20	237 Accrued Interest	84,125		84,125
21	<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>	<b>88,671,214</b>	<b>(6,589,862)</b>	<b>82,081,352</b>
22				
23	<b>DEFERRED CREDITS</b>			
24	242 Miscellaneous Current and Accrued Liabilities	1,624,719		1,624,719
25	<b>TOTAL DEFERRED CREDITS</b>	<b>1,624,719</b>		
26				
27	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)</b>			
28	271 Contributions in Aid of Construction	58,602,697		58,602,697
29	272 Accumulated Amortization of CIAC	(24,312,959)		(24,312,959)
30	<b>TOTAL NET CIAC</b>	<b>34,289,738</b>	<b>-</b>	<b>34,289,738</b>
31				
32	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	<b>\$ 290,538,022</b>	<b>\$ (6,834,804)</b>	<b>\$ 283,703,217</b>
33				
34	<b>Adjustments:</b>			
35	1, True-up to property records as of 8-31-19.			
36	2, Elimination of intercompany transactions involving PUI, PRC and 1710 Woodcreek.			



**Exhibit B**  
**Page 3 of 17**

Palmetto Utilities, Inc.  
Income Statement  
for the Year Ended August 31, 2019

Schedule B  
Page 1 of 3

Line No.	NARUC Account Number and Title (1)	Total				
		Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Proposed Increase (5)	Pro-forma Proposed (6)
1	UTILITY OPERATING INCOME					
2	FLAT RATE REVENUE					
3	521 Residential	\$ 18,074,799	\$ 835,711	\$ 18,910,510	\$ 4,712,871	\$ 21,623,381
4	521 Commercial	2,529,362	155,784	2,685,146	748,338	3,433,483
5	521 Multiple Family Dwellings	1,516,416	142,045	1,658,462	462,205	2,120,666
6	521 Inter-Company	35,579	-	35,579	9,918	45,494
7	TOTAL WASTEWATER SALES REVENUE	20,156,156	1,133,541	21,289,697	5,933,328	27,223,025
8						
9	OTHER WASTEWATER REVENUES					
10	534 Rent from Wastewater Property	62,978	-	62,978	-	62,978
11	536 Other Wastewater Revenues	-	-	-	-	-
12	Late Fees	112,564	-	112,564	-	112,564
13	Notification Fees	437,775	-	437,775	-	437,775
14	Customer Account Charge	75,445	-	75,445	-	75,445
15	Reconnect Fees	57,640	-	57,640	-	57,640
16	Returned Check Fees	17,830	-	17,830	-	17,830
17	Tap Fees (non-CIAC portion)	392,834	-	392,834	-	392,834
18	TOTAL OTHER WASTEWATER REVENUES	1,157,066	-	1,157,066	-	1,157,066
19						
20	400 TOTAL UTILITY OPERATING INCOME	21,313,222	1,133,541	22,446,763	5,933,328	28,380,091
21						
22	UTILITY OPERATING EXPENSES					
23	710 Purchased Water	5,288	-	5,288	-	5,288
24	711 Sludge Removal Expense	612,746	-	612,746	-	612,746
25	715 Purchased Power	1,041,375	99,770	1,141,145	-	1,141,145
26	716 Fuel for Power Production	23,554	-	23,554	-	23,554
27	718 Chemicals	573,577	-	573,577	-	573,577
28	720 Materials and Supplies	494,481	-	494,481	-	494,481
29	733 Contract Services - Legal/Accounting	3,906	-	3,906	-	3,906
30	734 Contract Services - Management Fees	1,718,932	44,820	1,761,752	-	1,761,752
31	735 Contract Services - Testing	72,782	-	72,782	-	72,782
32	736 Contract Services - Other	266,092	-	266,092	-	266,092
33	741 Rental of Building/Real Property	34,395	-	34,395	-	34,395
34	742 Rental of Equipment	19,963	-	19,963	-	19,963
35	750 Transportation Expense	35,684	-	35,684	-	35,684
36	756 General Liability Insurance	88,919	-	88,919	-	88,919
37	759 Other Insurance	54,225	-	54,225	-	54,225
38	761 Bank Fees	267,076	-	267,076	-	267,076
39	766 Regulatory Commission Expense	-	-	-	-	-
40	770 Bad Debt Expense	291,304	269,866	561,169	148,333	709,502
41	775 Miscellaneous Expenses	29,998	2,800,402	2,830,400	-	2,830,400
42	TOTAL OPERATIONS AND MAINTENANCE EXPENSES	5,632,277	3,214,858	8,847,135	148,333	8,995,468

**Exhibit B**  
**Page 4 of 17**

Palmetto Utilities, Inc.  
Income Statement  
for the Year Ended August 31, 2019

Schedule B  
Page 2 of 3

for the Year Ended August 31, 2015

Line No.	NARUC Account Number and Title (1)	Total				
		Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Proposed Increase (5)	Pro-forma Proposed (6)
1	<b>DEPRECIATION AND AMORTIZATION</b>					
2	403 Depreciation Expense	6,212,685	30,913	6,243,598	-	6,243,598
3	407 Amortization of CIAC	(1,658,499)	(49,517)	(1,908,016)	-	(1,908,016)
4	767 Amortization of Rate Case Expense	686,665	105,983	792,648	-	792,648
5	<b>TOTAL DEPRECIATION AND AMORTIZATION</b>	<b>5,040,851</b>	<b>87,379</b>	<b>5,128,230</b>	<b>-</b>	<b>5,128,230</b>
6						
7	<b>TAXES OTHER THAN INCOME TAXES</b>					
8	408 Utility Regulatory Assessment Fees	93,338	-	93,338	29,667	123,005
9	408 Property Taxes	3,335,827	592,054	3,927,881	-	3,927,881
10	408 Other Taxes and Licenses	172,873	-	172,873	-	172,873
11	<b>TOTAL TAXES OTHER THAN INCOME TAXES</b>	<b>3,602,038</b>	<b>592,054</b>	<b>4,194,092</b>	<b>29,667</b>	<b>4,223,759</b>
12						
13	<b>INCOME TAXES</b>					
14	409 Federal Income Taxes	(268,300)	658,130	389,830	1,148,188	1,538,018
15	409 State Income Taxes	(29,693)	127,394	97,702	287,766	385,468
16	421 Misc. Income	(6,047,489)	6,047,489	-	-	-
17	410 Deferred Income Taxes	2,033,705	(2,033,705)	-	-	-
18	<b>TOTAL INCOME TAXES</b>	<b>(4,311,776)</b>	<b>4,799,308</b>	<b>487,532</b>	<b>1,435,954</b>	<b>1,923,486</b>
19						
20	<b>TOTAL UTILITY OPERATING EXPENSES</b>	<b>9,943,427</b>	<b>8,693,599</b>	<b>18,637,026</b>	<b>1,613,954</b>	<b>20,250,980</b>
21						
22	<b>TOTAL NET UTILITY OPERATING INCOME (LOSS)</b>	<b>11,349,832</b>	<b>(7,560,059)</b>	<b>3,789,774</b>	<b>4,319,374</b>	<b>8,109,148</b>
23						
24	<b>OTHER INCOME AND DEDUCTIONS</b>					
25	413 Income from Utility Plant Leased to Others	4,000	(4,000)	-	-	-
26	414 Gain (Loss) on Disposition of Property	25,104	(25,104)	-	-	-
27	419 Interest Income	7,404	-	7,404	-	7,404
28	420 AFUDC Equity and Debt	110,971	(110,971)	-	-	-
29	426 Regulatory Fines and Penalties	(12,000)	12,000	-	-	-
30	<b>TOTAL OTHER INCOME AND DEDUCTIONS</b>	<b>135,479</b>	<b>(128,075)</b>	<b>7,404</b>	<b>-</b>	<b>7,404</b>
31						
32	<b>INTEREST EXPENSE</b>					
33	427 Interest on Long-Term Debt	4,013,153	(1,682,478)	2,330,675	-	2,330,675
34	428 Amortization of Debt Discount and Expense	156,168	(156,168)	-	-	-
35	<b>TOTAL INTEREST EXPENSE</b>	<b>4,169,321</b>	<b>(1,838,646)</b>	<b>2,330,675</b>	<b>-</b>	<b>2,330,675</b>
36						
37	<b>NET INCOME (LOSS) FOR MARGIN</b>	<b>\$ 7,315,990</b>	<b>\$ (5,849,487)</b>	<b>\$ 1,466,503</b>	<b>\$ 4,319,374</b>	<b>\$ 5,785,877</b>
38						
39						
40						
41						

**Exhibit B**  
**Page 5 of 17**

Palmetto Utilities, Inc.  
Income Statement  
for the Year Ended August 31, 2019

Schedule B  
Page 3 of 3

Line  
No.

1	<b>Adjustments:</b>
2	
3	<b>Pro-forma Adjustments:</b>
4	1 To adjust revenue to reflect test year-end ERC's.
5	2 To remove one time electric credits.
6	3 To reflect increase in third party operator cost.
7	4 To reflect bad debts at 2.5% of revenue.
8	5 To include allocated corporate overhead costs in the cost of service.
9	6 To reflect annualized depreciation expense and CIAC amortization on pro-forma original cost.
10	7 To reflect rate case expense amortization over a 3-year period.
11	8 To reflect increase in property taxes related to pro-forma plant additions.
12	9 To reflect Federal income taxes at 21%.
13	10 To reflect state income taxes at 5%.
14	11 To eliminate one time tax entry to reflect change in income tax rate.
15	12 To remove deferred income taxes from the test year.
16	13 To eliminate non-recurring items from the test year.
17	14 To eliminate AFUDC from the test year.
18	15 To eliminate one-time regulatory fine.
19	16 To synchronize interest with rate base.
20	
21	<b>Adjustments Related to Rate Increase:</b>
22	17 Requested revenue increase.
23	18 Bad debts expense related to rate increase.
24	19 To reflect regulatory assessment fee on proposed rate increase.
25	20 Federal income taxes related to rate increase.
26	21 State income taxes related to rate increase.

Palmetto Utilities, Inc.

Schedule C  
Page 1 of 1

Billed Revenue at Present and Proposed Rates

Line No.	Customer Class (1)	ERCs (#) (2)	Monthly Rate (\$/Mo.) (3)	Revenue (\$) (4)
1	<b>Revenue at Present Rates</b>			
2	<b>PUI</b>			
3	Residential	180,045	52.10	9,380,319
4	Commercial and Industrial	40,815	52.10	2,126,480
5	Residential - Multi Family	27,721	52.10	1,444,268
6	Dump Station and Leachate	683	52.10	35,579
7	<b>Total Flat Rate Revenue at Present Rates</b>			<b>12,986,647</b>
8				
9	<b>PRC</b>			
10	Residential	144,533	52.10	7,530,190
11	Commercial and Industrial	10,723	52.10	558,666
12	Residential - Multi Family	4,111	52.10	214,194
13	<b>Total Flat Rate Revenue at Present Rates</b>			<b>8,303,050</b>
14				
15				
16				
17	<b>Revenue at Proposed Rates</b>			
18	<b>PUI</b>			
19	Residential	180,045	66.62	11,994,566
20	Commercial and Industrial	40,815	66.62	2,719,119
21	Residential - Multi Family	27,721	66.62	1,846,778
22	Dump Station and Leachate	683	66.62	45,494
23	<b>Total Flat Rate Revenue at Present Rates</b>			<b>16,605,958</b>
24				
25	<b>PRC</b>			
26	Residential	144,533	66.62	9,628,815
27	Commercial and Industrial	10,723	66.62	714,364
28	Residential - Multi Family	4,111	66.62	273,888
29	<b>Total Flat Rate Revenue at Present Rates</b>			<b>10,617,067</b>
30				

**Exhibit B**  
**Page 7 of 17**

Palmetto Utilities, Inc.

Schedule D  
Page 1 of 8

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Line No.	Account	Total	Total Pro-forma Adjustments		Total
		Original Cost @ 8-31-19 (2)	Additions (3)	Retirements (4)	Pro-Forma Original cost (5)
Original Cost					
1	Plant in Service				
2					
3	Collection System				
4					
5	Account 360.2 Collection Sewers - Force				
6	PVC - 4" to 30" - Fully Accrued	\$ 22,097	\$ -	\$ -	\$ 22,097
7	PVC - 4" to 30"	4,377,273	352,108 2	-	4,729,381
8	DIP - 4" to 30"	442,033	-	-	442,033
9	Air Release Manholes	113,396	-	-	113,396
10	Total Account 360.2	4,954,798	352,108	-	5,306,906
11					
12	Account 361.2 Collection Sewers - Gravity				
13	PVC - 4" to 30" - Fully Accrued	257,879	-	-	257,879
14	PVC - 4" to 30"	73,514,523	3 1	-	74,798,571
15			1,284,045 2	-	
16	DIP - 8" to 24"	2,756,234	-	-	2,756,234
17	Manholes - Fully Accrued	576,909	-	-	576,909
18	Manholes	19,749,986	-	-	19,749,986
19	Total Account 361.2	96,855,533	1,284,048	-	98,139,581
20					
21	Account 363.2 Services to Customers				
22	Services - Fully Accrued	117,320	-	-	117,320
23	Services	5,141,307	-	-	5,141,307
24	Elder Valves	2,273,326	-	-	2,273,326
25	Grease Traps	21,916	-	-	21,916
26	Total Account 363.2	7,553,868	-	-	7,553,868
27					
28	Account 364.2, Flow Measuring Devices				
29	Flow Measuring Devices - Fully accrued	16,222	-	-	16,222
30	Flow Measuring Devices	27,635	-	-	27,635
31					
32	Total Collection Plant	109,408,055	1,636,156	-	111,044,212
33					
34	Pumping Plant				
35	Account 354.3 Structures and Improv. - Fully Accrued	244,445	-	-	244,445
36	Account 354.3 Structures and Improvements	4,453,939	-	-	4,453,939
37	Account 371.3 Pumping Equipment - Fully accrued	1,624,853	-	-	1,624,853
38	Account 371.3 Pumping Equipment	11,056,756	573,202 2	-	11,629,960
39					
40	Total Pumping Plant	17,379,993	573,202	-	17,953,197
41					
42	Treatment and Disposal Plant				
43					
44	Account 353.4 Land and Land Rights	428,725	-	-	428,725
45	Account 354.4 Structures and Improvements	1,565,705	-	-	1,565,705
46	Account 355.4 Power Generating Equipment	681,740	-	-	681,740
47	Account 371.4 Pumping Equipment - Fully Accrued	336,167	-	-	336,167
48	Account 371.4 Pumping Equipment	497,745	-	-	497,745
49	Account 380.4 Treat. and Disp. Eq. - Fully Accrued	1,790,696	-	-	1,790,696
50	Account 380.4 Treatment and Disposal Equipment	25,866,497	671,630 2	-	26,538,127

**Exhibit B**  
**Page 8 of 17**

Palmetto Utilities, Inc. and Palmetto of Richland County

Schedule D  
Page 2 of 8

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Line No.	Account	Total Original Cost @ 8-31-19	Total Pro-forma		Total Pro-Forma Original cost
		(2)	Additions (3)	Retirements (4)	(5)
1	Plant In Service				
2					
3	Treatment and Disposal Plant				
4					
5	Account 381.4 Plant Sewers	\$ 462,441	\$ -	\$ -	\$ 462,441
6	Account 382.4 Outfall Sewer Lines	20,830,743	-	-	20,830,743
7	Account 389.4 Oth. Plt. & Misc. Eq. - Fully Accrued	540,871	-	-	540,871
8	Account 389.4 Other Plant and Miscellaneous Equip.	1,159,051	-	-	1,159,051
9					
10	Total Treatment and Disposal Plant	54,160,381	671,830	-	54,832,011
11					
12	General Plant				
13					
14	Account 353.7 Land and Land Rights	1,602,827	-	-	1,602,827
15					
16	Account 354.7 Structures and Improvements				
17	Structures and Improvements	-	-	-	57,372
18	Structures and Improvements - 1710 Woodcreek	672,769	-	-	672,769
19	Leasehold Improvements - Other - Fully accrued	18,132	-	-	18,132
20	Leasehold Improvements - Other	120,796	-	-	120,796
21	Leasehold Improvements - Paving - Fully Accrued	3,716	-	-	3,716
22					
23	Total Account 354.7	815,413	-	-	872,785
24					
25	Account 390.7 Office Furniture and Equipment				
26	Furniture and Equipment	66,367	-	-	66,367
27	Computers - Fully Accrued	151,904	-	-	151,904
28	Computers	488,258	-	-	488,258
29					
30	Total Account 390.7	706,529	-	-	706,529
31					
32	Account 391.7 Transportation Equip. - Fully Accrued	6,929	-	-	6,929
33	Account 391.7 Transportation Equipment	591,585	-	-	591,585
34	Account 392.7 Stores Equipment	3,171	-	-	3,171
35	Account 393.7 Tools, Shop and Garage Eq. Fully Accr.	42,850	-	-	42,850
36	Account 393.7 Tools, Shop and Garage Equipment	89,651	-	-	89,651
37	Account 394.7 Laboratory Equipment	39,213	-	-	39,213
38	Account 395.7 Power Operated Equipment	382,297	-	-	382,297
39	Account 396.7 Communication Equipment	170,021	-	-	170,021
40	Account 397.7 Miscellaneous Equipment	14,879	-	-	14,879
41	Account 398.7 Other Tangible Plant	201,244	548,724	-	749,968
42					
43	Total General Plant	4,868,609	548,724	-	5,272,705
44					
45	Total Plant In Service	\$ 185,615,639	\$ 3,429,712	\$ -	\$ 189,102,125

**Exhibit B**  
**Page 9 of 17**

Palmetto Utilities, Inc. and Palmetto of Richland County

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Schedule D  
Page 3 of 8

Line No.	Account	Total Original Cost @ 8-31-19 (2)	Total Pro-forma		Total Pro-Forma Original cost (5)
			Additions (3)	Retirements (4)	
1	CIAC				
2					
3	Collection System				
4					
5	Account 360.2 Collection Sewers - Force				
6	PVC - 4" to 30"	\$ (2,959,589)	\$ -	\$ -	\$ (2,959,589)
7	DIP - 4" to 30"	(131,213)	-	-	(131,213)
8	Air Release Manholes	(19,789)	-	-	(19,789)
9	Total Account 360.2	(3,110,592)	-	-	(3,110,592)
10					
11	Account 361.2 Collection Sewers - Gravity				
12	PVC - 4" to 30"	(21,101,630)	-	-	(21,101,630)
13	DIP - 8" to 24"	(1,914,214)	-	-	(1,914,214)
14	Manholes	(10,818,728)	-	-	(10,818,728)
15	Total Account 361.2	(33,834,572)	-	-	(33,834,572)
16					
17	Account 363.2 Services to Customers				
18	Services	(2,407,079)	-	-	(2,407,079)
19	Elder Valves	(1,902,376)	-	-	(1,902,376)
20	Grease Traps	(16,979)	-	-	(16,979)
21	Total Account 363.2	(4,326,434)	-	-	(4,326,434)
22					
23	Account 364.2, Flow Measuring Devices	(27,635)	-	-	(27,635)
24					
25	Total Collection Plant	(41,299,232)	-	-	(41,299,232)
26					
27	Pumping Plant				
28					
29	Account 354.3 Structures and Improvements	(2,954,036)	-	-	(2,954,036)
30	Account 371.3 Pumping Equipment	(4,931,800)	(26,405)	-	(4,958,205)
31					
32	Total Pumping Plant	(7,885,836)	(26,405)	-	(7,912,241)
33					
34	Treatment and Disposal Plant				
35					
36	Account 353.4 Land and Land Rights	(222,033)	-	-	(222,033)
37	Account 354.4 Structures and Improvements	(817,212)	-	-	(817,212)
38	Account 355.4 Power Generating Equipment	(218,457)	-	-	(218,457)
39	Account 371.4 Pumping Equipment - Fully Accrued	(135,150)	-	-	(135,150)
40	Account 371.4 Pumping Equipment	(346,897)	-	-	(346,897)
41	Account 380.4 Treatment and Disposal Eq. Fully Accrued	(96,666)	-	-	(96,666)
42	Account 380.4 Treatment and Disposal Equipment	(8,000,941)	-	-	(8,000,941)

**Exhibit B**  
**Page 10 of 17**

Palmetto Utilities, Inc. and Palmetto of Richland County

Schedule D  
Page 4 of 5

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Line No.	Account	Total Original Cost @ 8-31-19	Total Pro-forma		Total Pro-Forma Original cost
			Additions	Retirements	
	(1)	(2)	(3)	(4)	(5)
1	CIAC				
2					
3	Treatment and Disposal Plant				
4					
5	Account 381.4 Plant Sewers	\$ (333,087)	\$ -	\$ -	\$ (333,087)
6	Account 382.4 Outfall Sewer Lines - Fully accrued	(46,322)	-	-	(46,322)
7	Account 382.4 Outfall Sewer Lines	(229,060)	-	-	(229,060)
8	Account 389.4 Other Plant and Misc. Ep. - Fully Accrued	(184,194)	-	-	(184,194)
9	Account 389.4 Other Plant and Miscellaneous Equip.	(698,247)	-	-	(698,247)
10					
11	Total Treatment and Disposal Plant	(9,308,266)	-	-	(9,308,266)
12					
13	General Plant				
14					
15	Account 353.7 Land and Land Rights	(105,731)	-	-	(105,731)
16	Account 393.7 Tools, Shop and Garage Equipment	(340)	-	-	(340)
17	Account 396.7 Communication Equipment	(3,293)	-	-	(3,293)
18					
19	Total General Plant	(109,363)	-	-	(109,363)
20					
21	Total Plant in Service - CIAC	\$ (58,602,697)	\$ (28,405)	\$ -	\$ (58,623,102)

Adjustments:

1. Adjustment to agree balance sheet and property records.
2. To add CWIP expected to be in service by 12-31-19.



**Exhibit B**  
**Page 11 of 17**

Palmetto Utilities, Inc. and Palmetto of Richland County

Schedule D  
Page 5 of 8

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Line No.	Account	Depreciation Expense			Accumulated Depreciation		
		Service Life	Annual Depr. Rate	Total	Per Books	Pro-forma	Adjusted
	(1)	(2)	(3)	(5)	(6)	(7)	(8)
<b>Annual and Accrued Depreciation</b>							
1	Plant in Service						
2							
3	Collection System						
4							
5	Account 360.2 Collection Sewers - Force						
6	PVC - 4" to 30" - Fully Accrued	FA	-	\$ -	\$ -	\$ -	\$ -
7	PVC - 4" to 30"	30	3.33%	157,488	1,675,251	-	1,675,251
8	DIP - 4" to 30"	30	3.33%	14,720	164,197	-	164,197
9	Air Release Manholes	30	3.33%	3,776	23,755	-	23,755
10	Total Account 360.2			175,984	1,863,203	-	1,863,203
11							
12	Account 361.2 Collection Sewers - Gravity						
13	PVC - 4" to 30" - Fully Accrued	FA	-	-	-	-	-
14	PVC - 4" to 30"	45	2.22%	1,880,528	11,505,548	(75,216)	11,430,330
15							
16	DIP - 8" to 24"	45	2.22%	61,188	6,740,535	-	6,740,535
17	Manholes - Fully Accrued	FA	-	-	-	-	-
18	Manholes	30	3.33%	657,675	10,115,492	-	10,115,492
19	Total Account 361.2			2,379,391	28,361,572	(75,216)	28,286,356
20							
21	Account 363.2 Services to Customers						
22	Services - Fully Accrued	FA	-	-	-	-	-
23	Services	38	2.63%	135,218	2,198,403	-	2,198,403
24	Elder Valves	38	2.63%	47,875	599,579	-	599,579
25	Grease Traps	38	2.63%	576	3,511	-	3,511
26	Total Account 363.2			183,668	2,801,493	-	2,801,493
27							
28	Account 364.2, Flow Measuring Devices						
29	Flow Measuring Devices - Fully accrued						
30	Flow Measuring Devices	5	20.00%	5,527	24,410	-	24,410
31							
32	Total Collection Plant			2,744,570	33,050,678	(75,216)	32,975,462
33							
34	Pumping Plant						
35	Account 354.3 Structures and Improv. - Fully Accrued	FA	-	-	-	-	-
36	Account 354.3 Structures and Improvements	32	3.13%	139,408	1,937,616	-	1,937,616
37	Account 371.3 Pumping Equipment - Fully accrued	FA	-	-	1,084,311	-	1,084,311
38	Account 371.3 Pumping Equipment	18	5.56%	646,626	3,838,878	-	3,838,878
39							
40	Total Pumping Plant			786,034	6,860,805	-	6,860,805
41							
42	Treatment and Disposal Plant						
43							
44	Account 353.4 Land and Land Rights	ND	-	-	-	-	-
45	Account 354.4 Structures and Improvements	32	3.13%	49,007	1,084,555	-	1,084,555
46	Account 355.4 Power Generating Equipment	20	5.00%	34,087	287,808	-	287,808
47	Account 371.4 Pumping Equipment - Fully Accrued	FA	-	-	336,167	-	336,167
48	Account 371.4 Pumping Equipment	18	5.56%	27,875	265,347	-	265,347
49	Account 380.4 Treat. and Disp. Eq. - Fully Accrued	FA	-	-	1,790,696	-	1,790,696
50	Account 380.4 Treatment and Disposal Equipment	18	5.56%	1,475,520	6,959,852	-	6,959,852

**Exhibit B**  
**Page 12 of 17**

Palmetto Utilities, Inc. and Palmetto of Richland County

Schedule D  
Page 6 of 8

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Line No.	Account	Depreciation Expense			Accumulated Depreciation		
		Service Life	Annual Depr. Rate	Total	Per Books	Pro-forma	Adjusted
	(1)	(2)	(3)	(4)	(5)	(7)	(8)
1	Plant in Service						
2							
3	Treatment and Disposal Plant						
4							
5	Account 381.4 Plant Sewers	35	2.86%	\$ 13,226	\$ 203,482	\$ -	\$ 203,482
6	Account 382.4 Outfall Sewer Lines	30	3.33%	693,664	2,725,639	-	2,725,639
7	Account 389.4 Oth. Plt. & Misc. Eq. - Fully Accrued	FA	-	-	540,871	-	540,871
8	Account 389.4 Other Plant and Miscellaneous Equip.	18	5.56%	64,443	888,258	-	888,258
9							
10	Total Treatment and Disposal Plant			2,357,621	15,982,678	-	15,982,678
11							
12	General Plant						
13							
14	Account 353.7 Land and Land Rights	ND	-	-	-	-	-
15							
16	Account 354.7 Structures and Improvements						
17	Structures and Improvements	23.09	4.33%	2,484	10,802	-	10,802
18	Structures and Improvements - 1710 Woodcreek	27	3.70%	24,592	(237,842)	(16)	(237,857)
19	Leasehold Improvements - Other - Fully accrued	FA	-	-	18,132	-	18,132
20	Leasehold Improvements - Other	12.29	8.14%	9,833	117,257	-	117,257
21	Leasehold Improvements - Paving - Fully Accrued	FA	-	-	3,716	-	3,716
22							
23	Total Account 354.7			37,209	(87,934)	(16)	(87,950)
24							
25	Account 390.7 Office Furniture and Equipment						
26	Furniture and Equipment	15	6.57%	4,427	43,706	-	43,706
27	Computers - Fully Accrued	FA	-	-	151,904	-	151,904
28	Computers	6	16.67%	81,393	273,642	-	273,642
29							
30	Total Account 390.7			85,819	469,252	-	469,252
31							
32	Account 391.7 Transportation Equip. - Fully Accrued	FA	-	-	6,929	-	6,929
33	Account 391.7 Transportation Equipment	6	16.67%	98,617	327,551	-	327,551
34	Account 392.7 Stores Equipment	18	5.56%	176	1,189	-	1,189
35	Account 393.7 Tools, Shop and Garage Eq. Fully Accr.	FA	-	-	42,850	-	42,850
36	Account 393.7 Tools, Shop and Garage Equipment	18	8.25%	5,603	(41,963)	-	(41,963)
37	Account 394.7 Laboratory Equipment	15	6.57%	2,616	(14,266)	-	(14,266)
38	Account 395.7 Power Operated Equipment	12	8.33%	31,845	(123,786)	-	(123,786)
39	Account 396.7 Communication Equipment	10	10.00%	17,002	41,800	-	41,800
40	Account 397.7 Miscellaneous Equipment	10	10.00%	1,488	4,970	-	4,970
41	Account 398.7 Other Tangible Plant	10	10.00%	74,987	131,614	-	131,614
42							
43	Total General Plant			355,373	758,207	(16)	758,191
44							
45	Total Plant in Service			\$ 6,243,598	\$ 55,752,366	\$ (75,232)	\$ 55,677,135

**Exhibit B**  
**Page 13 of 17**

Palmetto Utilities, Inc. and Palmetto of Richland County

Schedule D  
Page 7 of 8

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Line No.	Account	Depreciation Expense			Accumulated Depreciation		
		Service Life	Annual Depr. Rate	Total	Per Books	Pro-forma	Adjusted
	(1)	(2)	(3)	(4)	(5)	(7)	(8)
1	CIAC						
2							
3	Collection System						
4							
5	Account 360.2 Collection Sewers - Force						
6	PVC - 4" to 30"	30	3.33%	\$ (98,564)	\$ (1,223,929)	\$ -	\$ (1,223,929)
7	DIP - 4" to 30"	30	3.33%	(4,369)	(58,783)	-	(58,783)
8	Air Release Manholes	30	3.33%	(659)	(3,478)	-	(3,478)
9	Total Account 360.2			(103,583)	(1,286,190)	-	(1,286,190)
10							
11	Account 361.2 Collection Sewers - Gravity						
12	PVC - 4" to 30"	45	2.22%	(468,458)	(6,400,354)	(57,712)	(6,458,068)
13	DIP - 8" to 24"	45	2.22%	(42,486)	(472,381)	-	(472,381)
14	Manholes	30	3.33%	(360,264)	(4,846,809)	-	(4,846,809)
15	Total Account 361.2			(871,215)	(11,519,524)	(57,712)	(11,577,236)
16							
17	Account 363.2 Services to Customers						
18	Services	38	2.63%	(63,306)	(745,436)	-	(745,436)
19	Elder Valves	38	2.63%	(50,032)	(557,487)	-	(557,487)
20	Grease Traps	38	2.63%	(447)	(2,367)	-	(2,367)
21	Total Account 363.2			(113,785)	(1,305,290)	-	(1,305,290)
22							
23	Account 364.2, Flow Measuring Devices	5	20.00%	(5,627)	(24,411)	-	(24,411)
24							
25	Total Collection Plant			(1,084,110)	(14,135,414)	(57,712)	(14,193,126)
26							
27	Pumping Plant						
28							
29	Account 354.3 Structures and Improvements	32	3.13%	(92,461)	(1,297,930)	-	(1,297,930)
30	Account 371.3 Pumping Equipment	18	5.58%	(275,676)	(2,594,990)	-	(2,594,990)
31							
32	Total Pumping Plant			(368,138)	(3,892,920)	-	(3,892,920)
33							
34	Treatment and Disposal Plant						
35							
36	Account 353.4 Land and Land Rights	N/D	-	-	-	-	-
37	Account 354.4 Structures and Improvements	32	3.13%	(25,579)	(552,459)	-	(552,459)
38	Account 355.4 Power Generating Equipment	20	5.00%	(10,923)	(132,460)	-	(132,460)
39	Account 371.4 Pumping Equipment - Fully Accrued	FA	-	-	-	-	-
40	Account 371.4 Pumping Equipment	18	5.58%	(19,287)	(307,702)	-	(307,702)
41	Account 380.4 Treatment and Disposal Eq. Fully Accrued	FA	-	-	-	-	-
42	Account 380.4 Treatment and Disposal Equipment	18	5.58%	(333,652)	(4,210,914)	-	(4,210,914)

**Exhibit B**  
**Page 14 of 17**

Palmetto Utilities, Inc. and Palmetto of Richland County

Schedule D  
Page 8 of 8

Original Cost and Annual and Accrued Depreciation at August 31, 2019

Line No.	Account	Depreciation Expense			Accumulated Depreciation		
		Service Life	Annual Depr. Rate	Total	Per Books	Pro-forma	Adjusted
	(1)	(2)	(3)	(4)	(6)	(7)	(8)
1	CIAC						
2							
3	Treatment and Disposal Plant						
4							
5	Account 381.4 Plant Sewers	35	2.86%	\$ (9,526)	\$ (142,774)	\$ -	\$ (142,774)
6	Account 382.4 Outfall Sewer Lines - Fully accrued	FA	-	-	-	-	-
7	Account 382.4 Outfall Sewer Lines	30	3.33%	(7,626)	(246,339)	-	(246,339)
8	Account 389.4 Other Plant and Misc. Ep. - Fully Accrued	FA	-	-	-	-	-
9	Account 389.4 Other Plant and Miscellaneous Equip.	18	5.56%	(38,823)	(691,710)	-	(691,710)
10							
11	Total Treatment and Disposal Plant			(445,418)	(6,284,358)	-	(6,284,358)
12							
13	General Plant						
14							
15	Account 353.7 Land and Land Rights	N/D	-	-	-	-	-
16	Account 393.7 Tools, Shop and Garage Equipment	16	6.25%	(21)	(19)	-	(19)
17	Account 396.7 Communication Equipment	10	10.00%	(329)	(247)	-	(247)
18							
19	Total General Plant			(350)	(266)	-	(266)
20							
21	Total Plant in Service - CIAC			\$ (1,808,016)	\$ (24,312,959)	\$ (57,712)	\$ (24,370,671)

**Exhibit B**  
**Page 15 of 17**

Palmetto Utilities, Inc.

Schedule E  
Page 1 of 1

**Present and Expected Customers**

<u>Line No.</u>	<u>Date</u>	<u>PUI</u>		<u>PRC</u>		<u>Total</u>	
		<u>No.</u>	<u>ERCs</u>	<u>No.</u>	<u>ERCs</u>	<u>No.</u>	<u>ERCs</u>
1	<b>Single Family Residential*</b>						
2	8/31/2018	14,469	14,366	11,934	11,868	26,403	26,234
3	8/31/2019	15,136	15,004	12,128	12,044	27,264	27,048
4	8/31/2020	15,743	15,611	12,326	12,242	28,069	27,853
5							
6	<b>Commercial and Industrial</b>						
7	8/31/2018	381	3,292	166	828	547	4,120
8	8/31/2019	407	3,401	175	894	582	4,295
9	8/31/2020	407	3,401	175	894	582	4,295
10							
11	<b>Multi-family Residential</b>						
12	8/31/2018	19	2,183	39	343	58	2,525
13	8/31/2019	20	2,310 *	39	343	59	2,653 *
14	8/31/2020	20	2,310	39	343	59	2,653
15							
16	<b>Total</b>						
17	8/31/2018	14,869	19,840	12,139	13,039	27,008	32,879
18	8/31/2019	15,563	20,715 *	12,342	13,281	27,905	33,996 *
19	8/31/2020	16,170	21,322	12,540	13,479	28,710	34,801
20							

\*Adjusted for 250 ERCs for The Preserve apartment complex that set up service in September 2019 under new property management

**Exhibit B**  
**Page 16 of 17**

**Palmetto Utilities, Inc**  
**Rate Base**  
**Test Year Ended August 31, 2019**

**Schedule F**  
**Page 1 of 1**

<u>Line</u> <u>No.</u>	<u>Description</u> <u>(1)</u>	<u>Total</u>				
		<u>Per</u> <u>Books</u> <u>(2)</u>	<u>Pro-forma</u> <u>Adjustments</u> <u>(3)</u>	<u>Pro-forma</u> <u>Present</u> <u>(4)</u>	<u>Proposed</u> <u>Increase</u> <u>(5)</u>	<u>Pro-forma</u> <u>Proposed</u> <u>(6)</u>
1	Plant in Service	\$ 185,672,411	\$ 3,429,712	\$ 189,102,123	\$ -	\$ 189,102,123
2	Accumulated Depreciation	(56,244,271)	(16)	(56,244,287)	-	(56,244,287)
3	CIAC	(58,602,697)	-	(58,602,697)	-	(58,602,697)
4	Accumulated Amortization of CIAC	24,312,959	-	24,312,959	-	24,312,959
5	Net Plant	95,138,402	3,429,696	98,568,098	-	98,568,098
6						
7	Accumulated Deferred Income Taxes	(81,654)	(38,603)	(120,257)	-	(120,257)
8	Excess Deferred Taxes	-	(6,047,489)	(6,047,489)	-	(6,047,489)
9	Materials and Supplies	477,552	-	477,552	-	477,552
10	Prepayments	161,571	-	161,571	-	161,571
11	Cash Working Capital	1,154,289	475,864	1,630,153	-	1,630,153
12	Total Rate Base	<u>\$ 96,850,160</u>	<u>\$ (2,180,532)</u>	<u>\$ 94,669,629</u>	<u>\$ -</u>	<u>\$ 94,669,629</u>

**Palmetto Utilities, Inc**  
**Weighted Cost of Capital**  
**Test Year Ended August 31, 2019**

**Schedule G**  
**Page 1 of 1**

	<b>Amount</b>	<b>% of Capital</b>	<b>Cost Rate</b>	<b>Wtd. Cost Rate</b>
Debt	\$ 39,563,472	41.79%	5.89%	2.46%
Equity	55,106,156	58.21%	10.50%	6.11%
Total	<u>\$ 94,669,629</u>	<u>100.00%</u>		<u>8.57%</u>



November 13, 2019

Mr. John M.S. Hoefer, Esquire  
Willoughby & Hoefer, P.A.  
PO Box 8416  
Columbia SC 29202-8416

Re: Palmetto Utilities, Inc.  
Wastewater System: NPDES Permit No. SC0043451  
Dear Mr. Hoefer,

This letter confirms that Palmetto Utilities, Inc. has the valid DHEC permit to operate its wastewater treatment and disposal system under the National Pollutant Discharge Elimination System permit number referenced above and all of the collection, transmission and other facilities associated therewith.

I can be reached at 803-898-4157 or at [clarkesm@dhec.sc.gov](mailto:clarkesm@dhec.sc.gov)

Sincerely,

Shawn M. Clarke, PE, Director  
Water Facilities Permitting Division

cc: Brenda Green





**MAKE CHECKS PAYABLE TO:**  
**PALMETTO UTILITIES, INC.**  
1713 WOODCREEK FARMS RD, SUITE A  
ELGIN, SC 29045  
(803) 699-2422

IF YOU HAVE ANY QUESTIONS CONCERNING  
THIS BILL CALL (803) 699-2422

ACCOUNT NUMBER

BILLING DATE	
DUE DATE	
<b>TOTAL AMOUNT DUE</b>	

**TO INSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE RETURN TOP PORTION WITH YOUR PAYMENT**



**PALMETTO UTILITIES, INC.**  
1713 WOODCREEK FARMS RD, SUITE A  
ELGIN, SC 29045  
(803) 699-2422

**THIS BILL DOES NOT EXTEND TIME FOR PAYMENT OF ANY PREVIOUS  
BALANCE.**

**PLEASE KEEP THE BOTTOM PORTION FOR YOUR RECORDS.  
RETURN TOP PORTION WITH PAYMENT.**

**PALMETTO UTILITIES, INC. - CUSTOMER RECORD**

<b>COMMENTS</b>	Please see reverse side for important information regarding payment methods

<b>SEWER SERVICE ADDRESS</b>	<b>BILLING DATE</b>	<b>ACCOUNT NUMBER</b>

DESCRIPTION OF SEWER SERVICES	SERVICE FROM	SERVICE TO	AMOUNT

Online payments can be made at [www.niamerica.com](http://www.niamerica.com). Choose the Pay Online/Online Payment option, select your utility provider Palmetto Utilities, Inc. and follow the prompts.  
There is no additional charge or administration fee for online payments and we accept MasterCard, Visa, Discover and Electronic checks.

Office Hours: 8:30 A.M. To 4:30 P.M.

All rate schedules are approved by the S.C. Public Service Commission and are available for viewing at our office.  
For emergencies call 803-699-2422 (24 hours a day).

All past due accounts will be charged a 1.5% Late Fee  
All past due amounts are subject to a \$25.00 Certified Notification Fee

PREVIOUS BALANCE	
PAYMENT RECEIVED	
PAST DUE AMOUNT	
CURRENT CHARGES	
<b>TOTAL AMOUNT DUE</b>	



**MAKE CHECKS PAYABLE TO:**

**PALMETTO OF RICHLAND COUNTY LLC**  
1713 WOODCREEK FARMS RD, SUITE A  
ELGIN, SC 29045  
(803) 699-2422

IF YOU HAVE ANY QUESTIONS CONCERNING  
THIS BILL CALL (803) 699-2422

ACCOUNT NUMBER

BILLING DATE	
DUE DATE	
<b>TOTAL AMOUNT DUE</b>	

**TO INSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE RETURN TOP PORTION WITH YOUR PAYMENT**



**PALMETTO OF RICHLAND COUNTY LLC**  
1713 WOODCREEK FARMS RD, SUITE A  
ELGIN, SC 29045  
(803) 699-2422

**THIS BILL DOES NOT EXTEND TIME FOR PAYMENT OF ANY PREVIOUS  
BALANCE.**

**PLEASE KEEP THE BOTTOM PORTION FOR YOUR RECORDS.  
RETURN TOP PORTION WITH PAYMENT.**

**PALMETTO OF RICHLAND COUNTY LLC - CUSTOMER RECORD**

<b>COMMENTS</b>	Please see reverse side for important information regarding payment methods

<b>SEWER SERVICE ADDRESS</b>	<b>BILLING DATE</b>	<b>ACCOUNT NUMBER</b>

DESCRIPTION OF SEWER SERVICES	SERVICE FROM	SERVICE TO	CONSUMPTION UNITS	AMOUNT

Online payments can be made at [www.niameerica.com](http://www.niameerica.com). Choose the Pay Online/Online Payment option, select your utility provider Palmetto of Richland County LLC and follow the prompts. There is no additional charge or administration fee for online payments and we accept MasterCard, Visa, Discover and Electronic checks.

Office Hours: 8:30 A.M. To 4:30 P.M.

All rate schedules are approved by the S.C. Public Service Commission and are available for viewing at our office.  
For emergencies call 803-699-2422 (24 hours a day).

All past due accounts will be charged a 1.5% Late Fee  
All past due amounts are subject to a \$25.00 Certified Notification Fee

<b>PREVIOUS BALANCE</b>	
<b>PAYMENT RECEIVED</b>	
<b>PAST DUE AMOUNT</b>	
<b>CURRENT CHARGES</b>	
<b>TOTAL AMOUNT DUE</b>	

1350



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**PSC Utility Assessment**

SC-1153  
(Rev. 11/06/18)  
3673

File  
Letter  
Date Issued: June 14, 2019

ROBERT S JONES  
PALMETTO UTILITIES INC  
1710 WOODCREEK FARMS RD  
ELGIN SC 29045-8755



Taxpayer,

This is the annual PSC Utility Tax Assessment for the period ending 06/30/2019. The payment is due by 07/15/2019. The SC Public Service Commission provides all gross receipts and tax amounts, and the South Carolina Department of Revenue bills and collects this tax on their behalf.

Submit payments and make any address changes online at [MyDORWAY.dor.sc.gov](http://MyDORWAY.dor.sc.gov). You may also pay by mailing the voucher below along with your payment. Make checks payable to South Carolina Department of Revenue.

If you have any questions about the gross receipts or how the tax amount was calculated, call Arles Herrera at (803) 737-0469. If you have any questions about remitting the amount shown due, call the Miscellaneous Tax Section at 803-896-1970.

Utility Type:	Water/Wastewater
Gross Receipts:	\$17,609,131.14
Administrative Fee:	\$35,022.46
Water/Wastewater Direct Fee:	\$57,827.30
<b>Total Due:</b>	<b>\$92,849.76</b>

G/L14-2450

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the U.S. Code. Any monies due will be sought in accordance with the provisions of Title 11.

-----cut along dotted line-----

1350



SC DEPARTMENT OF REVENUE  
**Bill Payment**

C-370  
(Rev. 06/14/18)  
6370

**Pay online for free at [MyDORWAY.dor.sc.gov](http://MyDORWAY.dor.sc.gov).**

Vouchers and payments may also be mailed to:

South Carolina Department of Revenue  
P.O. Box 2535  
Columbia, SC 29202-2535

Media

File Number

Pay By

Amount Due

07/15/2019

\$92,849.76

PALMETTO UTILITIES INC

Balance Remitted

63701023 01 000307536221 00 00 00000000 00009284976

4



**SOUTH CAROLINA PUBLIC SERVICE COMMISSION**  
and  
**SOUTH CAROLINA OFFICE OF REGULATORY STAFF**  
**GROSS RECEIPTS FOR THE TWELVE (12) MONTHS ENDING JUNE 30, 2018**

*(Please correct preprinted information as required)*

Palmetto Utilities Inc.  
Company Name (as shown on Certificate) FEIN  
Palmetto Utilities  
List d/b/a and/or f/k/a aliases  
1710 Woodcreek Farms Rd Elgin SC 29045  
Address City State Zip Code  
Mark Daday 803-699-2422 mdaday@niamerica.com  
Regulatory Contact Area Code & Phone Number E-Mail

**INTRASTATE GROSS RECEIPTS**

**Revenues Derived Via South Carolina Operations from:**

Water Revenues	(Water) \$	
Sewer Revenues	(Sewer)	17,609,131.14
Electricity Revenues	(Electric)	
Natural Gas Revenues	(Gas)	
Railroad Revenues	(Railroad)	
Telecommunications Revenues:		
ILEC (Local Exchange)	(ILEC)	
CLEC (Competitive Local Exchange)	(CLEC)	
IXC (Long Distance)	(IXC)	
PSP (Payphone Service Provider)	(PSP)	
Wireless (Eligible Telecommunications Carrier)	(Wireless ETC)	
<b>Total Revenues Derived Via South Carolina Operations</b>	<b>\$</b>	<b>17,609,131.14</b>

Lauren Hutson July 10, 2018  
Preparer's Signature Date

**Affidavit**

State of South Carolina County of Richland  
Personally appeared before me Lauren Hutson who, being duly sworn, says that  
he/she is the Manager, FP&A of Palmetto Utilities Inc. (Company) and  
that the foregoing statement, for the twelve (12) months ending June 30, 2018, is correctly taken from  
the books and records of said Company, and is true to the best of his/her knowledge and belief.

Sworn to and subscribed before me this 10th day of July, 2018.

Martha Stone Dutton  
Notary Public

My commission expires 10/02/25

Place  
Seal  
Here

**Return completed form to:**

South Carolina Office of Regulatory Staff  
Attention: Gross Receipts Department  
1401 Main Street, Suite 900  
Columbia, SC 29201

Failure to timely complete and submit this form  
could result in the loss of your license, authority  
or certificate to operate in South Carolina.

**Return Deadline is August 31, 2018**

Palmetto Utilities, Inc.  
Income Statement  
For the Twelve Months Ending Saturday, June 30, 2018

	12ME 06.30.18
<b>Operating Revenues</b>	
Flat Rate Revenue	\$16,474,522.66
Tap Fees	457,048.00
Notification Fees	413,850.00
Other Fees	263,710.48
<b>Total Revenue</b>	<b>17,609,131.14</b>
<b>Operation and Maintenance</b>	
Purchased Water	(6,799.01)
Purchased Wastewater Treatment	(249,597.53)
Sludge Removal Expense	(373,006.09)
Purchased Power	(1,060,719.17)
Fuel for Power Production	(2,235.04)
Chemicals	(239,493.72)
Materials and Supplies	(510,096.26)
Contract Services - Legal	(2,034.23)
Contract Services - Management Fees	(1,862,747.10)
Contract Services - Testing	(55,551.50)
Contract Services - Other	(263,561.07)
Rental of Building/Real Property	(83,734.91)
Transportation Expense	(27,504.49)
Insurance - Vehicle	(4,657.88)
Insurance - General Liab	(117,616.47)
Insurance - Other	(79,103.60)
Bank Fees	(222,126.83)
Bad Debt Expense	(296,907.90)
Misc Expenses	(45,479.83)
<b>Total Operations and Maintenance</b>	<b>(5,502,972.63)</b>
<b>Taxes Other Than Income</b>	
Utility Regulatory Assessment Fees	(81,195.67)
Property Taxes	(1,804,267.17)
Other Taxes and Licenses	(220,010.24)
<b>Total Taxes Other Than Income</b>	<b>(2,105,473.08)</b>
<b>Consolidated EBITDA</b>	<b>10,000,685.43</b>
Depreciation	(5,163,624.84)
Amortization	1,835,772.72
Reg Commission Exp - Amort of Rate Case	(516,318.30)
Income Taxes	898,367.60
Provision for Deferred Income Taxes	(1,308,475.00)
Income from Utility Plant Leased to Others	10,000.00
Gains (Losses) from Fixed Asset Disposal	46,372.68
<b>Operating Income</b>	<b>5,802,780.29</b>
<b>Other Income (Expense)</b>	
AFUDC	1,633,858.51
Interest Expense	(3,997,338.07)
Amortization of Debt Expense	(143,686.86)
<b>Total Other Income (Expense)</b>	<b>(2,507,166.42)</b>
<b>Net Income / (Loss)</b>	<b>3,295,613.87</b>

S.C. Public Service Commission & SC Office of Regulatory Staff  
Intrastate Gross Receipts  
For Twelve Months Ending June 30, 2018

---

**Palmetto Utilities Inc.**

Revenue Derived via S.C. Operations from:	
Wastewater	\$ 16,474,522.66
Other Wastewater	<u>1,134,608.48</u>
Total Operating Revenues	\$ 17,609,131.14
Total Revenues Derived via S.C. Operations	<u><u>\$ 17,609,131.14</u></u>

Amount: \$92,849.76 Sequence Number: 1892668877  
Account: 07/19/2019  
Bank Num: 732

<b>VOID</b> <b>VOID</b> <b>VOID</b> <b>VOID</b>		Check Number: 2008732 67-448/539
<b>NI America Operating, LLC</b> PO Box 290910 Columbia, SC 29229 (803) 832-4380		Jun 26, 2019 \$92,849.76
Pay Exactly Ninety Two Thousand Eight Hundred Forty Nine Dollars and 76 Cents	NI AMERICA OPERATING, LLC Authorized Signatures(s) <i>Adam Ball</i> <i>Bryan A. Stone</i>	
PAY TO THE ORDER OF SC DOR PO Box 125 Columbia, SC.29214	Memo	

For Deposit Only

FEDERAL RESERVE BANK REGULATION CC Security features on this document include a large printed check number, a large printed dollar amount, a large printed date, a large printed MICR line, a large printed security feature, a large printed security feature, a large printed security feature, and a large printed security feature. Absence of these features may indicate a counterfeit.	ENDORSE HERE Deposit Only 2207444318	DO NOT SIGN / WRITE / STAMP BELOW THIS LINE FOR FINANCIAL INSTITUTION USAGE ONLY
---	--	---

Electronic Endorsements:

Date	Sequence	Bank #	Endrs Type	TRN	RRC	Bank Name
07/19/2019	001892668877	111310346	Rtn Loc/BOFD	Y		BANK OF AMERICA NA

NOTIFICATION CHARGE

	<u>Time</u> <u>(in min)</u>	<u>Hr. Rate</u>	<u>Est. Cost</u>	
<b>Certified Mail Notification Fee</b>				
Run and verify past due report	6	\$ 16.00	\$ 1.60	Customer Service Rep
Update billing CSR system	6	16.00	1.60	Customer Service Rep
3rd Party letter processing	n/a		0.50	Vendor
Postage (Certified mail bulk)	n/a		6.59	Customer Service Rep
Computer/Info. Technology	n/a		12.00	Allocation
Supervision	6	35.02	3.50	Billing Supervisor Allocation
			<b>\$ 25.79</b>	

SEWER SERVICE CONNECTION CHARGE

	<u>Time</u> <u>(in min)</u>	<u>Hr. Rate</u>	<u>Est. Cost</u>	
<b>Sewer Connection Fee</b>				
Tap Fee Research	18	\$ 16.00	4.80	CSR/Admin
Customer Connection Work Order	18	16.00	4.80	CSR/Admin
Premises Survey/Inspection	60	24.58	24.58	Field Technician
Payment Processing/Admin	18	16.00	4.80	CSR/Admin
Estimate avg. install tap @ \$800 ea.			225.00	Allocation
			<b>\$ 263.98</b>	

CUSTOMER ACCOUNT CHARGE

	<u>Time</u> <u>(in min)</u>	<u>Hr. Rate</u>	<u>Est. Cost</u>	
<b>New Customer Account Setup Cost Estimate</b>				
Customer Inquiry & Follow Up	30	\$ 16.00	\$ 8.00	Customer Service Rep
Payment Processing	6	16.00	1.60	Customer Service Rep
Customer Form Admin (Scan/Save/Log/File)	12	16.00	3.20	Customer Service Rep
Account setup	6	18.73	1.87	Billing Rep
Customer Application Review	6	37.46	3.75	CSR Supervisor Allocation
Supervision	6	35.02	3.50	Billing Supervisor Allocation
Office Supplies/Expense	"n/a"	0.72	0.72	
			<b>\$ 22.64</b>	